SPITZER PROPOSED AMENDMENT # 1

AZ CORP COMMISSION DOCUMENT CONTROL

TIME/DATE PREPARED: February 26, 2002 11:30 A.M.

COMPANY: Bowie Power Station, LLC

AGENDA ITEM NO. LS - 1

DOCKET NO. L-00000BB-01-0118

OPEN MEETING DATE: February 26, 2002

Case No. 118

INSERT NEW CONDITION:

Applicant shall enter into a groundwater monitoring program with the Arizona Department of Water Resources within 180 days of this decision. Applicant shall annually provide copies of any and all reports, correspondence or data from such program to the Town of Bowie, the Pistachio Pass Irrigation District and the Cochise County Board of Supervisors. None of these documents shall be considered proprietary or confidential under Arizona Public Records Law.

- A. Commencing with the first year of commercial operation of the initial power block of the Project, Applicant shall annually contribute One Hundred Thousand Dollars (\$100,000) to a Groundwater Impact Mitigation Fund (Fund) to be established and maintained by Applicant at a national or state-chartered bank. Such contribution obligation shall be suspended whenever the balance in the Fund reached the principal amount of Five Hundred Thousand Dollars (\$500,000). Interest earned on the Fund shall belong to Applicant.
- B. Persons claiming property or economic damage as a result of ground water decline allegedly directly attributable to Project operation may submit a claim for mitigation payment to application. Applicant shall investigate the circumstances surrounding the claim and make a determination, if possible, as to the cause of the claimant's alleged property or economic damage. If it is determined that the damage in question has been caused to Project operations, funds shall be disbursed from the Fund to compensate claimant for the amount of damage determined to be directly attributable to the Project. If the cause or amount of the alleged damage is in dispute, Applicant agrees to submit the matter to binding arbitration with the American Arbitration Association, if the person claiming damage agrees.
- C. The Groundwater Impact Mitigation Fund account shall be maintained for three (3) years after the end of the Project's economic life, as determined by Applicant. Once the three (3) year period has passed, the account shall be closed, and any remaining funds shall be disbursed back to Applicant.

 Arizona Corporation Commission

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